



Foreign Agricultural Service

**GAIN Report**

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## **Canada**

### **Market Development Reports**

### **Meal Solutions Product Opportunities**

## **2001**

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#### **Report Highlights:**

**Meal solutions, home-meal replacement or simply food-to-go, the market to supply and feed the increasingly time-starved Canadian consumer is a wide-ranging and steadily growing one.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa[CA1], CA

## Opportunities for U.S. Exporters in New-to-Market Meal Solution Products and Concepts

Today's fast-paced lifestyle has created time-restraints and changes in consumers' eating habits at dinnertime. Even with these time restraints, consumers prefer home-cooked meals with 47% of Canadian households still dining together. However, 42% of Canadians spend less than 30 minutes for meal preparation [Canadian Grocer Magazine, May 2000]. In fact 41% of consumers do not decide until after lunch what they will serve that evening, and 27% do not decide until after work what their home-cooked meal will be. [Food and Consumer Products Manufacturers of Canada (FCPMC), October 5, 1999].

There is also an increase in the number of seniors who are also looking for convenient, easy to prepare meals. Meal Solution Products are becoming more important in meal planning, however, consumers demand quality, taste and nutrition in these meals. Meal Solutions, including ready-to-eat or ready-to-cook meals or meals kits are becoming more acceptable and now make up 3% of meals served at home [FCPMC, October 5, 1999]. A.C. Nielsen reports a +4% to +7% increase with regards to frozen dinners, entrees including meat pies and dry packaged dinners. Dinner kits show a growth of +8% to +15% ["Growth Rate Product Grouping, National Grocery Banners, Physical Growth – Rolling 52 weeks to December 4, 1999, A.C. Nielsen]. Listed as 4<sup>th</sup> in the top twenty categories is Frozen Dinners/Entrees/Meat Pies at \$805 million dollar volume ["Top Twenty Categories – Total Grocery Dollar Sales", A.C. Nielsen].

The consensus among industry leaders is that the Meal Solutions market is strong and will follow the increased demand for Meal Solutions as seen in the U.S., which is estimated to be worth up to \$100 billion/yr [Food In Canada Magazine, May 2000]. Kraft Foods is one of the leaders in Meal Solutions.

The Canadian foodservice sector is at the forefront in addressing this fast growing trend. With steady, substantial growth in the meal solutions market, Canadian foodservice operators are stepping up service to reach people where they live. While most Canadian towns and cities have not yet reached the level of take-out/delivery service that is available in many U.S. cities, they are on their way. By any name, meal solutions, home-meal replacement or simply food-to-go, the market to supply and feed the increasingly time-starved Canadian consumer is a wide-ranging and steadily growing one.

## Distribution of Canadian Dining Traffic - 12 months ending August 2000

*(As per the NPD Consumer Report on Eating Share Trends)*

	1995	2000	% Change in number of occasions 2000 vs. 1995
On Premise	47.2%	43.1%	Plus 3%
Total Off Premise	52.8%	56.9%	Plus 22%
Telephone Delivery	6.8%	6.2%	Plus 4%
Drive Thru	7.1%	15.7%	Plus 151%
Take Out	39.0%	35.2%	Plus 2%

Assuming economic conditions allow this segment of the market to maintain this growth pattern of the past five years, take-out/delivery opportunities will continue to improve and get even better. With 22 percent growth in the number of off-premise eater occasions from 1995 to 2000 for an average annual increase of 4.5 percent, the Canadian take-out/delivery market could steadily outpace overall foodservice growth by nearly two percent per year.

Many Canadian restaurants and restaurant chains are reassessing the casual approach to take-out operations and market strategies, with a view to focusing more energy on promoting and expanding its take-out offerings, services, technology and even real estate to meet this shifting market. Industry leaders indicate that take out sales volumes should be greater than 15% of the total sales to recover investment and to make this new focus profitable.

U.S. exporters wishing to investigate the Canadian market further may wish to use the CANADA CONNECT Program to secure the services of an agent/distributor. Information on the CANADA CONNECT Program is available on the FAS Web Site at [www.fas.usda.gov](http://www.fas.usda.gov) reports CA0082 and CA1055.

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### Related FAS/Ottawa reports:

Report Number	Title of Report	Date
CA9016	Marketing In Canada	2/18/99
CA9141	Food Product Export Opportunities in Western Canada	12/23/99
CA9142	Western Canada Retail Study	12/23/99
CA0001	Eastern Canada Retail Study	1/05/00
CA0004	Bakery Products I: Sweets	1/20/00
CA0006	Bakery Products II: Bread, Rolls, etc.	1/24/00
CA0007	Food Product Export Opportunities in Eastern Canada	1/31/00
CA0022	New England Culinary Institute	2/29/00
CA0030	WUSATA Recruits Grocery Showcase West	3/21/00
CA0032	Agent/Distributor Directory -Eastern Canada	3/21/00

<b>CA0047</b>	<b>Hotel, Restaurant, Institutional Foodservice Sector Report - Eastern Canada</b>	<b>4/19/00</b>
<b>CA0050</b>	<b>Agent/Broker Directory - Western Canada</b>	<b>4/19/00</b>
<b>CA0081</b>	<b>Food Product Export Opportunities in Eastern Canada - Report II</b>	<b>6/20/00</b>
<b>CA0082</b>	<b>Canada Connect (Matchmaker Program)</b>	<b>6/26/00</b>
<b>CA0112</b>	<b>Wine &amp; Spirits Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0113</b>	<b>Food &amp; Beverage Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0114</b>	<b>Livestock Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0115</b>	<b>Pet Show Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0116</b>	<b>Poultry Show Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0117</b>	<b>Nursery Product Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0118</b>	<b>Wood Product Promotional Opportunities</b>	<b>8/9/00</b>
<b>CA0127</b>	<b>HRI Foodservice Sector - Western CA</b>	<b>8/25/00</b>
<b>CA0135</b>	<b>Private Label Grocery Opportunities</b>	<b>9/11/00</b>
<b>CA0174</b>	<b>Pet Food Industry Product Brief</b>	<b>11/6/00</b>
<b>CA1002</b>	<b>Grocery Innovations Canada</b>	<b>01/04/01</b>
<b>CA1021</b>	<b>Food Products Marketing Opportunities</b>	<b>02/14/01</b>
<b>CA1054</b>	<b>SIAL Montreal 2001 Evaluation</b>	<b>04/02/01</b>
<b>CA1055</b>	<b>Canada Connect - Progress Report</b>	<b>04/02/01</b>
<b>CA1058</b>	<b>Grocery Showcase West 2001- Evaluation</b>	<b>04/02/01</b>
<b>CA1059</b>	<b>Canadian Food &amp; Beverage Show 2001 - Evaluation</b>	<b>04/02/01</b>